

**Address by California State Treasurer Phil Angelides
to the Congress for the New Urbanism
Pasadena, California
June 11, 2005**

Thank you very much. I am deeply honored to receive the Lifetime Achievement Award.

First because it comes from all of you – pathbreakers in steering us toward a vision of sustainable cities for the new century, leaders who were living the idea of smart growth even before most people knew what the term meant.

Second, and even more important to me, it is an honor to be acknowledged by people I count as friends and associates, with whom I have worked since we launched this movement nearly two decades ago. Thank you all very much.

To meet the challenges of environmental preservation and economic sustainability before us here in California, it will take a new commitment, built into everything we do – a commitment to grow in ways that protect and enhance what have always been our competitive advantages in the global economy: An exceptional quality of life. A well-educated workforce. And unbounded opportunity.

I believe we can do it. California, in so many ways, has been a pathbreaker, always leading America toward the next new thing. I believe California can be a pathbreaker again.

If we want to preserve the California dream, we don't have a choice.

California is a state of 37 million people on its way to 46 million by 2025. Already, our air is fouled, our highways are gridlocked, our environment and our people are groaning under the weight of haphazard growth.

Over the last four decades, the income gap between the wealthy and California's working families has grown steadily wider. And, the distance between our affluent suburbs and our inner cities is measured by more than miles.

We know that our future in the global economy depends on educating our children – all of them. But the reality is that one of every five California children lives in poverty. One in four is an English-language learner, speaking one of the more than 50 primary languages heard in the California's schools. Two of every five of them have parents who have never attended college themselves.

In the face of these challenges, California must make a decision. Will we take the low road or the high road?

We've seen where the low road leads. It wastes our transportation dollars and damages

our environment by promoting continued sprawl. The Bush-Schwarzenegger low road piles massive debts on our children. It shorts investments in education, in communities and in our people. It rewards quick profiteering at the expense of long-term economic growth.

I believe there's a better way. There's a high road to prosperity – where we have the most livable cities, the cleanest environment, and the best-educated workers, so we can compete for and win the high-wage, high-skill jobs of the future, jobs you and I can't even imagine today.

As State Treasurer, I have spent six years blazing the trail on that high road. Instead of thinking about the next quarter, we have tried to think about the next quarter of a century and beyond, about using the tools at our disposal to advance smart growth, a fairer society, and more opportunity for all Californians.

We have redirected over \$20 billion in state investments to curb sprawl and to support sustainable development and livable communities.

We have channeled affordable housing funds to projects that meet a set of smart growth goals – energy efficiency, use of sustainable building materials, proximity to transit.

We've helped cities finance the cleanup of brownfields.

We created the Sustainable Communities Grant and Loan Program to fund innovative, locally sponsored, smart growth projects.

And, we pushed through policy changes that require State offices to be located near public transportation, affordable housing, and retail services.

All of these initiatives are guided by a core belief: Government needs to lead, not be a collaborator in sprawl.

While we were making these smart investments, we were also leading a national movement to invest in our neglected inner-city communities – because I believe we will never have livable cities if we throw away neighborhoods on a 30 year cycle in a rush to the suburban fringe.

We put money into mortgages in low-income neighborhoods, deposited state funds in community banks to spur home and business lending, and invested in inner-city businesses and jobs.

We're making hundreds of microloans each year, to build the economy of urban California. And we are now launching a new initiative to connect small businesses in urban neighborhoods with mentors from established successful companies, who can show them how to take their enterprises to the next level.

We have also recognized that we will never end sprawl unless we have strong public schools in our cities, schools that give every young person a chance to succeed.

That's why I fought for \$450 million in funding for innovative urban public charter schools. And that's why we have provided down payment assistance and low-interest mortgages to over 1,000 teachers who have committed to serve in the hardest-to-teach, lowest-performing schools.

But this is just a beginning. The challenges we face are daunting. We must put the same thinking I have applied at the Treasurer's Office – and that many of you apply in your own work – into everything we do as a state, and on a grand scale.

There are three big things we must do now in California to meet the challenges ahead.

First – and here I know I am preaching to the choir – we must reshape how we build our cities. We must free Californians from the yoke of an expensive and polluting dependence on petroleum-burning vehicles.

We are a state of 26 million cars, SUVs and trucks that travel 314 billion miles a year and burn 15 billion gallons of gasoline. We are on a path, over the next twenty years, to becoming a state of 36 million cars that travel 446 billion miles and burn nearly 18 billion gallons.

We must choose not to take that path. We must choose to grow smarter, to give Californians more transportation options, the choice to drive fewer miles and burn – and pay for – fewer gallons of fossil fuels.

We know how to do that. We know how to build livable, walkable, transit-friendly, environmentally sustainable communities. In the first half of the twentieth century, that's how we lived and built our neighborhoods.

Over a decade ago, I put my own capital at risk to build a place called Laguna West near Sacramento that remains a model of a smart growth community – good for families, good for business, and good for the environment.

We all know the benefits of sustainable development.

Cleaner air.

Less greenhouse gas emissions.

Lower family budgets for transportation.

Fewer dollars sent to oil producers.

Lower costs to taxpayers for infrastructure.

More vibrant communities and a more robust economy.

We know smart growth makes sense. But, make no mistake about it: Putting California on the high road to smart growth will take strong and courageous leadership in Sacramento. It will take genuine commitment to regional planning. And it will take real investment in our communities and in transit. But we must do it.

The second big thing is inextricably linked to the first. We will not achieve smart growth unless we make an unstinting commitment to educate all of our children to world-class standards.

Most California families buying houses in far-flung suburbs do not choose long commutes and frazzled hours stuck in traffic because they are masochists. That is the price they pay to give their children a shot at a decent school.

They know what the rest of us know.

That California's urban schools struggle to fill their classrooms with fully credentialed teachers.

That schools in affluent areas get hundreds of thousands of dollars more than schools in poor and minority neighborhoods.

That schools in urban areas are the most run-down and overcrowded.

Our commitment to giving all kids a chance to learn is essential to smarter growth. At their best, cities are places of learning. If California cities are to be reborn as sustainable communities, they must have schools with the best teachers, the best technology, and the best textbooks. They must have innovative schools that connect urban students to the vitality and opportunities in the community around them, schools that put them on a path to higher education and lifelong learning.

It's not smart growth unless education for all is part of the blueprint.

The third big thing we must do is to connect our smart growth dreams with economic engines to power them. This means investing in the research, science, and technology to keep California in the front ranks of the global economy.

California shook the world last fall – and, we hope, altered the course of history – when we voted to make our state the global center of stem cell research. We can shake the world again by making the same kind of investment in renewable energy and clean fuels. California should own this industry – so that we can have a clean environment and the high-wage, high-skill jobs of the future.

When President Kennedy chose to go to the moon, he backed that decision with a \$3.5 billion a year investment in a \$600 billion economy. Today, California's economic output is more than \$1.5 trillion. We clearly have the resources and wealth to invest in technologies that clean up the environment, increase energy efficiency, and combat global warming. What we need now is the will – and the leadership.

No other state is better positioned to be the world center for the renewable energy and clean technology industries. Developing renewable energy and energy-efficiency technologies draws on the same skills and knowledge base that have put us at the

forefront of the high-tech world.

For three decades, by enacting its own tough air emission standards, California has led the nation and world in the fight for clean air. By setting the first greenhouse gas emission standards for vehicles, California has once again taken the lead.

We can do more. And as long as President Bush is in office, we will need to.

It's time for California to take the high road.

I am confident where that high road leads. It carries us past the shortsightedness that threatens our future.

It takes us to a California that shows the world how to live in harmony with its natural gifts.

And the high road delivers us to a California as bold and bountiful as our potential. A California that once again amazes and inspires the world.

That is the future our children, our environment, and our state deserve.

Thank you for having me here today.

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